

REMARKS

In section 2 the Office Action, the Examiner objected to claims 133, 201, 207, and 208 because of certain informalities. Claims 207 and 208 have been amended to overcome the Examiner's objection. Claims 133 and 201, however, have not been amended. In each case, there would be no antecedent for the term "the loan" because the parent claims refer merely to loan transactions.

In section 4 the Office Action, the Examiner rejected claims 132, 138, 139, 143, 145-148, 150, 183-187, 191, 192, 194, 197-200, 204, 205, and 207-210 under 35 U.S.C. §103(a) as being unpatentable over the Green patent in view of the Swartz patent.

The Green patent discloses a terminal 100 that is used to check books in and out. The patron's ID card is inserted into a slot 134 where the patron's ID number is read from the card. An item reader 106 is used to scan the book's label. If a patron pays an assessment, a PAID button 120 is depressed which clears the patron's record and which credits the branch account with the indicated amount. (See column 10, lines 65-68.) Also, an indicator light 1150 indicates when a patron is

delinquent in paying money owed to the library. (See column 15, lines 26-28.)

In connection with Figures 1-5, the Swartz patent discloses a device 10 for reading a bar code and for deactivating a surveillance tag after the bar code has been successfully read. In connection with bar code reading and deactivation of surveillance tags, the Swartz patent refers to an automated library circulation control system in which an optical reader reads a bar code on a book in order to identify books and an electromagnetic activator magnetizes and demagnetizes a magnetic strip in each book such that, if the magnetic strip is not deactivated before the book is taken from the library, an alarm at the library exit is activated.

The Swartz patent goes on to disclose that, in rental agency or library applications, a print out verification and confirmation message may include the user's identification or credit card number, the description of the article or item rented, the date charged, and the date due. If a reservation has been made, the display verifies the reservation by user identification number, the article or item reserved, and the date that the reservation or hold request was entered.

In connection with Figure 6, the Swartz patent discloses a point-of-sale terminal 111 that includes a credit or smart card reader 112, a keyboard 113, a display 114, and a scanner that functions to read bar codes on articles to be purchased. A credit card or "smart card" 110 may be read so that the customer's purchases as read by the scanning head 116 are automatically paid for by the customer. The point-of-sale terminal 111 further includes a deactivation unit 118.

The Swartz patent discloses in connection with Figures 7a-12a an alternative point-of-sale terminal 140 including a scanner 156, a credit card reader 170 that reads a credit card or analogous payment card 174 inserted into a slot 172, a keyboard 176, a speaker 180, and a de-activator 166.

The Swartz patent discloses in connection with Figures 7b-12b another alternative point-of-sale terminal 140 having a scanner 156, a credit card reader 170 that reads a credit card or analogous payment card 174 inserted into a slot 172, a keyboard 176, a speaker 180, and a de-activator (un-numbered).

Independent claim 132 is directed to a self-service library terminal comprising a reader, a payment

apparatus, and a controller. The reader reads identifications on books involved in library loan transactions. The payment apparatus receives payment from a borrower. The controller processes signals from the reader corresponding to the identifications read by the reader, the controller interacts with the payment apparatus in order to process financial transactions related to the library loan transactions, and the controller reminds the borrower of the borrower's account status.

As can be seen from the description above of the Green patent, and as the Examiner recognizes, the terminal 100 disclosed in the Green patent does not include a payment apparatus that receives payment from a borrower as required by independent claim 132.

Therefore, the Examiner relies on the Swartz patent. However, as can be seen from the description above of the Swartz patent, the Swartz patent is directed to various point-of sale terminals that are used in retail establishments and are not used in libraries.

Indeed, the Swartz patent only mentions library systems twice. The first mention is in connection with the prior art relating to library systems having an optical reader that reads a bar code on a book in order

to identify the book and an electromagnetic activator that magnetizes and demagnetizes a magnetic strip in the book such that, if the magnetic strip is not deactivated before the book is taken from the library, an alarm at the library exit is activated.

As can be seen, this reference to libraries in the Swartz patent does not disclose or suggest providing a library terminal with the payment apparatus recited in independent claim 132.

The second mention of a library in the Swartz patent is in a paragraph dealing with surveillance systems that demagnetize a magnetic stripe in a tag when an article to which the tag is attached is charged or checked out. Failure to deactivate this stripe before the article is taken from a controlled area will initiate an alarm. This paragraph of the Swartz patent goes on to disclose (i) that more sophisticated surveillance systems provide a unique code for each article or class of articles so that the security detection system can identify the article, (ii) that such sophisticated systems can also print or display verification and confirmation messages that enable a checkout clerk to authorize the transaction, and (iii) that, in special applications, such as a rental agency or library, the

print out message may include the user's identification or credit card number, the description of the article or item rented, the date charged, and the date due.

Accordingly, this reference to a library is in connection with surveillance systems and not in connection with the library terminal of independent claim 132 that has a payment apparatus. Thus, this portion of the Swartz patent does not disclose or suggest providing a library terminal with a payment apparatus as recited in independent claim 132.

Indeed, this portion of the Swartz patent merely discloses (i) that, in a rental agency that accepts credit card, a surveillance system can print out verification and confirmation messages that enable a checkout clerk to authorize a transaction and that such messages may also include a credit card number and (ii) that, in a library that accepts library card, a surveillance system can print out verification and confirmation messages that enable a checkout clerk to authorize a transaction and that such messages may also include a library card identification in connection with a library.

Thus, the person of ordinary skill in the art reading this paragraph of the Swartz patent would merely

understand that rental agencies accept credit cards and that libraries accept library cards containing a borrowers identification.

Accordingly, this paragraph of the Swartz patent does not suggest providing library terminals with a credit card reader.

The Examiner states that the Swartz patent suggests that its point-of-sale terminal could be applied in a library. The Swartz patent suggests no such thing. The reference to a rental agency and to a library in the Swartz patent merely suggests that verification print outs can contain a credit card number in the case rental agencies or patron identification numbers in the case of libraries.

Therefore, because neither the Swartz patent nor the Green patent suggests providing a payment apparatus that would be useful in the context of the terminal 100 disclosed in the Green patent, one of ordinary skill in the art would not have understood the combination of the Swartz patent and the Green patent to suggest providing a payment apparatus that would be useful in the context of the terminal 100 disclosed in the Green patent. Accordingly, it would not have been obvious to one of ordinary skill in the art to modify the

terminal 100 disclosed in the Green patent in view of the Swartz patent.

Therefore, independent claim 132 is patentable over the Green patent in view of the Swartz patent.

Moreover, the Green patent teaches away from such a modification. Indeed, the Green patent discloses that payment be received by a library aid rather than by the terminal 100. That is, the Green patent discloses a terminal on the one hand and payment to a library aid on the other. Thus, the Green patent suggests that payment not be made to the terminal 100 and rather that payment should be made to the library aid, thus by-passing the terminal 100 altogether.

Therefore, because the Green patent teaches away from the invention of independent claim 132, independent claim 132 is patentable over the Green patent in view of the Swartz patent.

In the Examiner's response to applicants' arguments, the Examiner first asserts that an applicant cannot attack the references individually when the rejection is based on a combination of references.

However, applicants can most certainly point out, as applicants have done here, that the references, taken alone or in combination, fail to suggest to one of



ordinary skill in the art the combination put forward by the Examiner.

In the case at hand, not only do the Green patent and the Swartz patent, taken alone or in combination, not suggest to one of ordinary skill in the art that a payment apparatus and a library terminal can be combined, but the Swartz patent also teaches away from providing a library terminal with a payment apparatus. That is, the Swartz patent mentions library terminals twice, once in connection with magnetic security strips and once in connection with print outs that include a patron's identification number. By mentioning library terminals but not mentioning that the disclosed point of sale terminals could alternatively be library terminals, the Swartz patent suggests that the features of its disclosed point-of-sale terminals not be used on library terminals.

The Examiner next asserts that the Swartz patent demonstrates that the ordinary artisan would recognize the benefits of adding a payment apparatus to a library terminal.

However, although the Swartz patent mentions library terminals in two places, the Swartz patent never suggests that its invention (or a payment apparatus for

that matter) can be used on library terminals. Indeed, the entire focus of the invention disclosed in the Swartz patent is on point-of-sale terminals. Point-of-sale terminals are used in retail establishments, not libraries. Therefore, contrary to the Examiner's assertion, the Swartz patent does not suggest that a payment apparatus can be used on library terminals.

Applicants could not understand the Examiner's final assertion with respect to the Green patent teaching away from the invention of independent claim 132. The Examiner did state that, with respect to the Green patent, it is common practice for a terminal to accept both cash and credit cards. However, the Green patent does not disclose that the library terminal disclosed therein accepts either cash or credit.

Independent claim 183 is directed to a self-service library terminal comprising a reader, a payment receiver, and a controller. The reader reads identifications on books involved in library loan transactions. The payment receiver receives payments associated with the loan transactions. The controller processes the identifications read by the reader and the payments received by the payment receiver.

As indicated above, the terminal 100 disclosed in the Green patent does not include a payment receiver that receives payment from a borrower as required by independent claim 183. Also as indicated above, the Green patent and the Swartz patent do not suggest to the ordinary artisan the adding of a payment receiver to the terminal 100 disclosed in the Green patent.

Therefore, because the Green patent and the Swartz patent do not suggest to the ordinary artisan the adding of a payment receiver to the terminal 100 disclosed in the Green patent, it would not have been obvious to one of ordinary skill in the art to modify the terminal 100 disclosed in the Green patent in view of the Swartz patent.

Accordingly, independent claim 183 is patentable over the Green patent in view of the Swartz patent.

Moreover, as additionally indicated above, the Green patent teaches away from such a modification. Therefore, because the Green patent teaches away from the invention of independent claim 183, independent claim 183 is patentable over the Green patent in view of the Swartz patent.

Finally, the Examiner's response to applicants' arguments is not persuasive that independent claim 183 is unpatentable over the Green patent in view of the Swartz patent.

Independent claim 197 is directed to a method implemented by a self-service library terminal comprising reading an identification on a book involved in a library loan transaction, reading a payment from a payment card, processing the identification to determine an identification of the book involved in the loan transaction, and processing the payment in relation to the loan transaction.

As indicated above, the terminal 100 disclosed in the Green patent does not read a payment from a payment card and does not process a payment in relation to a loan transaction involving a book. Also as indicated above, the Swartz patent does not suggest a library terminal that reads a payment from a payment card and that processes the payment in relation to a loan transaction involving a book.

Further, as the Examiner has recognized, the Green patent does not suggest reading a payment from a payment card and processing the payment in relation to a loan transaction involving a book.

Accordingly, because the Green patent and the Swartz patent do not suggest reading a payment from a payment card and processing the payment in relation to a loan transaction involving a book, independent claim 197 is patentable over the Green patent in view of the Swartz patent.

Moreover, the Green patent teaches away from such a modification. Therefore, because the Green patent teaches away from the invention of independent claim 197, independent claim 197 is patentable over the Green patent in view of the Swartz patent.

Finally, the Examiner's response to applicants' arguments is not persuasive that independent claim 197 is unpatentable over the Green patent in view of the Swartz patent.

Independent claim 209 is directed to a self-service library terminal comprising a reader, a payment apparatus, and a controller. The reader reads identifications on articles involved in library loan transactions. The payment apparatus receives payment from a borrower for fines related to overdue articles. The controller processes signals from the reader corresponding to the identifications read by the reader, and the controller interacts with the payment apparatus

in order to process the fines related to the library loan transactions.

The Green patent does not disclose a self-service library terminal that processes payments for overdue fines. Likewise, the Swartz patent does not disclose or suggest a self-service library terminal that processes payments for overdue fines.

Accordingly, the combination of the Green patent and the Swartz patent does not disclose, teach, or suggest a self-service library terminal that processes payments for overdue fines.

Therefore, independent claim 209 is not unpatentable over the Green patent in view of the Swartz patent.

Finally, the Examiner's response to applicants' arguments is not persuasive that independent claim 209 is unpatentable over the Green patent in view of the Swartz patent.

Because independent claims 132, 183, 197, and 209 are patentable over the Green patent in view of the Swartz patent, dependents claims 138, 139, 143, 145-148, 150, 184-187, 191, 192, 194, 198-200, 204, 205, 207, 208, and 210 are likewise patentable over the Green patent in view of the Swartz patent.

In addition, dependents claims 138, 139, 143, 145-148, 150, 184-187, 191, 192, 194, 198-200, 204, 205, 207, 208, and 210 are separately patentable over the Green patent in view of the Swartz patent.

Dependent claims 138 and 191 recite a display to remind a borrower of an overdue book chargeable to the borrower.

The Green patent discloses an indicator light 1150 to indicate when a patron is delinquent in paying money owed to the library. However, an indication that money is owed is not a display that reminds a borrower of an overdue book chargeable to the borrower.

The Swartz patent discloses a point-of-sale terminal which does not process overdue books.

Accordingly, even if the Green patent and the Swartz patent could have been combined, the resulting combination would not have met the limitations of dependent claims 138 and 191. Therefore, dependent claims 138 and 191 are not unpatentable over the Green patent in view of the Swartz patent.

Dependent claims 139 and 192 recite a display to remind a borrower to pay immediately for an overdue book.

The Green patent discloses an indicator light 1150 to indicate when a patron is delinquent in paying money owed to the library. However, an indication that money is owed is not a display that reminds a borrower to pay immediately for an overdue book.

The Swartz patent discloses a point-of-sale terminal which does not process overdue books and, therefore, there is no need to remind a borrower to pay immediately for an overdue book.

Accordingly, even if the Green patent and the Swartz patent could have been combined, the resulting combination would not have met the limitations of dependent claims 139 and 192. Therefore, dependent claims 139 and 192 are not unpatentable over the Green patent in view of the Swartz patent.

Dependent claims 143, 194, and 204 recite a display to remind a borrower of a fine owed by the borrower.

The Green patent discloses an indicator light 1150 to indicate when a patron is delinquent in paying money owed to the library. However, an indication that money is owed is not a display that reminds a borrower of a fine owed by the borrower.



The Swartz patent discloses a point-of-sale terminal which does not process overdue books and, therefore, there is no need to remind a borrower of a fine.

Accordingly, even if the Green patent and the Swartz patent could have been combined, the resulting combination would not have met the limitations of dependent claims 143, 194, and 204. Therefore, dependent claims 143, 194, and 204 are not unpatentable over the Green patent in view of the Swartz patent.

Dependent claim 205 recites storing loan transactions during periods when a link to a circulation system is down so that the loan transactions can be later transferred to the circulation system.

The Green patent discloses a library system in Figure 1 having branch libraries 1, 2 connected over telephone lines to a central site 3. Each local library branch comprises a Check-In/Check-Out console, a Check-Out console, an alpha-numeric input and output display unit, a branch controller that codes the input and output data and interfaces the I/O units to the computer 20, and a modem 17 that converts the digital data from the branch controller to an analog signal which is transmitted over the telephone lines.

Assuming that the central site 3 is the circulation system of the rejected claims, the Green patent does not disclose that the branch libraries are capable of storing loan transactions during periods when the link to the circulation system is down so that the loan transactions can be later transferred from the branch libraries to the circulation system.

The Green patent discloses in Figure 1a a smaller version of the library circulation system that may be housed and used in a branch library. This smaller library circulation system does have memory. However, there is no disclosure in the Green patent that loan transactions are transmitted elsewhere by the smaller library circulation system shown in Figure 1a.

Accordingly, the Green patent does not disclose storing loan transactions during periods when a link to a circulation system is down so that the stored loan transactions can be later transferred to the circulation system as required by dependent claims 149, 195, 205, and 211.

The Swartz patent likewise does not disclose storing loan transactions during periods when the link to a circulation system is down so that the stored loan transactions can be later transferred to the circulation

system as required by dependent claims 149, 195, 205, and 211.

Accordingly, even if the Green patent and the Swartz patent could have been combined, the resulting combination would not have met the limitations of dependent claim 205. Therefore, dependent claim 205 is not unpatentable over the Green patent in view of the Swartz patent.

Dependent claim 150 recites the display of a reminder to a borrower of a new charge.

The Green patent discloses an indicator light 1150 to indicate when a patron is delinquent in paying money owed to the library. However, an indication that money is owed is not giving a borrower a reminder of a new charge.

The Swartz patent similarly does not disclose displaying a reminder to a borrower of a new charge.

Accordingly, even if the Green patent and the Swartz patent could have been combined, the resulting combination would not have met the limitations of dependent claim 150. Therefore, dependent claim 150 is not unpatentable over the Green patent in view of the Swartz patent.

Dependent claim 210 recites that the fines of independent claim 209 relate to overdue books.

The Green patent discloses an indicator light 1150 to indicate when a patron is delinquent in paying money owed to the library. However, an indication that money is owed does not suggest a controller that processes the fines for overdue books.

The Swartz patent discloses a point-of-sale terminal which does not process overdue books and, therefore, there is no need to process fines for overdue books.

Accordingly, even if the Green patent and the Swartz patent could have been combined, the resulting combination would not have met the limitations of dependent claim 210. Therefore, dependent claim 210 is not unpatentable over the Green patent in view of the Swartz patent.

It is respectfully requested that the Attorney Docket Number be changed to 53768 US018.

**CONCLUSION**

In view of the above, the claims of the present application patentably distinguish over the art applied by the Examiner. Accordingly, allowance of these claims and issuance of the present application are respectfully requested.

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